

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

**DREAM HOUSE MORTGAGE
CORPORATION,
PROVIDENCE, RI**

ORDER NO. C-03-029-03-CD01

**CEASE AND DESIST ORDER AND REVOCATION
OF MORTGAGE LOAN COMPANY EXEMPTION FROM REGISTRATION
PURSUANT TO ARK. CODE ANN. § 23-39-306(a)(4)**

Arkansas Securities Commissioner Michael B. Johnson, of the Arkansas Securities Department (“Department”), upon sufficient evidence presented to him, has reason to believe that **DREAM HOUSE MORTGAGE CORPORATION (“DREAMHOUSE”)** has failed to comply with the provisions of the Arkansas Mortgage Loan Company and Loan Broker Act, Ark. Code Ann. § 23-39-101, *et seq.*, (“Act”) and has thereby lost its exemption from registration pursuant to Ark. Code Ann. § 23-39-306(a)(4).

FINDINGS OF FACT

1. The Department received a request for exemption from registration as a mortgage loan company pursuant to Ark. Code Ann. § 23-39-306(a)(4) from **DREAMHOUSE** on March 28, 1997. The request for exemption was approved and a letter issued April 2, 1997.
2. On June 23, 2003, the Department received Notice of Cancellation from Fidelity and Deposit Company of Maryland reflecting that **DREAMHOUSE’s** Surety Bond Number LPM 8605266 would be terminated August 22, 2003.

3. By certified letter dated June 23, 2003, Charles A. Kelemen, a Securities Examiner with the Department, (i) advised **DREAMHOUSE** that the Act required the \$35,000.00 surety bond to remain in force at all times, (ii) enclosed a copy of the Notice of Cancellation received from Fidelity and Deposit Company of Maryland, and (iii) requested that **DREAMHOUSE** file a replacement bond by the August 22, 2003 expiration date. The United States Postal Service Track & Confirm record reflects that **DREAMHOUSE** received the June 23, 2003 certified letter on June 27, 2003.
4. Pursuant to the Notice of Cancellation, **DREAMHOUSE's** \$35,000.00 surety bond issued by Fidelity and Deposit Company of Maryland expired on August 22, 2003, and **DREAMHOUSE** has not filed a replacement surety bond.

CONCLUSIONS OF LAW

5. The Commissioner is charged with the administration and enforcement of the Act pursuant to Ark. Code Ann. § 23-39-201 (Repl. 1994).
6. Ark. Code Ann. § 23-39-304(a)(1) (Supp. 1999) requires each mortgage loan company to deposit a \$35,000.00 corporate surety bond with the Commissioner.
7. Ark. Code Ann. § 23-39-307(b) (Supp. 1999) provides for revocation of an exemption from registration if the company does not conduct its business in accordance with law or has violated any provision of the Act.

OPINION

8. This matter has been properly brought before the Commissioner in accordance with Ark. Code Ann. § 23-39-201 (Repl. 1994). **DREAMHOUSE's** failure to maintain a \$35,000.00 surety bond in accordance with Ark. Code Ann. § 23-39-304(a)(1) (Repl. 1999) is a violation of the Act which constitutes grounds to revoke **DREAMHOUSE's** exemption from registration.
9. Pursuant to Ark. Code Ann. § 23-39-307(a)(3) (Supp. 1999), the Commissioner can and should revoke **DREAMHOUSE's** exemption from registration.
10. This Order is in the public interest.

ORDER

IT IS THEREFORE ORDERED pursuant to Ark. Code Ann. § 23-39-202(b)(1) that **DREAM HOUSE MORTGAGE CORPORATION** CEASE AND DESIST from engaging in all mortgage loan and loan brokering activities in Arkansas, including advertising, offering and conducting mortgage loan company and loan brokering business.

IT IS FURTHER ORDERED that the exemption from registration provided **DREAM HOUSE MORTGAGE CORPORATION** under Ark. Code Ann. § 23-39-306(a)(4) (Supp. 1999) be revoked in accordance with Ark. Code Ann. § 23-39-307(a)(3) (Supp. 1999).

IT IS FURTHER ORDERED that all pending mortgage loan applications now held by **DREAM HOUSE MORTGAGE CORPORATION** shall immediately be transferred to a duly registered or exempted mortgage loan company or loan broker and proof of such filed within ten (10) days of the receipt of this Order.

DREAM HOUSE MORTGAGE CORPORATION is hereby notified of its right to a hearing regarding this matter. However, if no written application for a hearing is made within twenty (20) days of the entry of this Order, this Order will become final.

WITNESS MY HAND AND SEAL this 3rd day of September, 2003.

A handwritten signature in black ink, appearing to read "M. Johnson". The signature is fluid and cursive, with the first letter "M" being particularly large and stylized.

MICHAEL B. JOHNSON

ARKANSAS SECURITIES COMMISSIONER